

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U-902-E) for Adoption of an Advanced Metering Infrastructure Deployment Scenario and Associated Cost Recovery and Rate Design.

Application 05-03-015

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING MOTION TO MODIFY THE SCHEDULE AND
REQUIRING ADDITIONAL SUPPLEMENTAL TESTIMONY**

Summary

This Ruling modifies the proceeding schedule in response to the April 28, 2006 Motion by the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN) and the Utility Consumers' Action Network (UCAN). SDG&E is required to serve additional supplemental testimony relating to critical peak pricing (CPP) proposals. The Ruling also requires San Diego Gas & Electric (SDG&E) to file a Petition to Modify Decision (D.) 05-08-018 if it wishes the Commission to extend bridge funding.

The Motion

The Motion responds to SDG&E's March 28, 2006 Supplemental Testimony. Intervenor testimony is currently due June 6, 2006. On April 28, 2006, DRA, TURN, and UCAN filed the Motion, which seeks to delay intervenor testimony until August 1, 2006 on the basis that "internal inconsistencies, unsupported conclusions and numerous ambiguities" in SDG&E's filing require intervenors to take "more time than is currently available to them under the

current schedule.” (Motion, p. 1.) SDG&E filed its response on May 15, 2006. SDG&E opposes the Motion. However, SDG&E seeks additional bridge funding should the Commission grant the Motion, and proposes a schedule for this contingency.

Discussion

After conferring with Assigned Commissioner Grueneich on this matter, I will grant the Motion to extend the date for intervenor testimony until August 1, 2006. The Motion is granted partially to give intervenors more time to address the SDG&E Supplemental Testimony. The extra time will also allow further development of the record.

In Application (A.) 05-06-028, Pacific Gas and Electric (PG&E) proposed (among other things) a critical peak pricing proposal for residential and small commercial customers. The Commission has not yet acted on this proposal. The Commission may wish to adopt similar or identical demand response plans statewide for residential and small commercial customers once advanced metering infrastructure (AMI) technology is in place. In order to allow the Commission to consider all options, including the possibility that PG&E’s proposal, or some variation on its proposal, is adopted, the record in this proceeding should be supplemented.

Therefore, SDG&E shall file additional supplemental testimony outlining an adaptation of PG&E’s residential and small commercial CPP proposal for SDG&E residential and small commercial customers, using the same general parameters as PG&E (CPP rates, voluntary program, bill protection provision, revenue neutrality, etc.). As PG&E has done, SDG&E’s CPP adaptation should be based on the Statewide Pricing Pilot research project authorized in D.03-03-036.

SDG&E's additional supplementary testimony should also include:

1. A side-by-side comparison of the current SDG&E proposal in A.05-03-015, the SDG&E adaption of PG&E's proposal, and PG&E's actual proposal.
2. An analysis of the costs and benefits of SDG&E's adaptation of PG&E's proposal, as compared to SDG&E's current proposal in A.05-03-015.
3. A recommendation about whether the Commission should adopt
 - a) SDG&E's adapted version of PG&E's proposal, b) SDG&E's current proposal or c) some variation or combination of PG&E proposal and SDG&E's current proposal (e.g., a combination of ¢/kWh credits and CPP rates).

SDG&E shall serve its additional supplemental testimony by June 16, 2006.

Intervenors may file their testimony on these matters no later than August 1, 2006, along with the rest of their testimony.

Schedule Changes

SDG&E's proposal for adjusting the schedule to take into account a potential extension for intervenor testimony is adopted as modified herein. The new schedule for the proceeding will be as follows:

SDG&E Additional Supplemental Testimony	June 16, 2006
Intervenor Testimony	August 1, 2006
Rebuttal Testimony	September 1, 2006
Telephonic Scheduling Conference	September 7, 2006
Evidentiary Hearings	September 25 – October 6, 2006
Concurrent Briefs	October 27, 2006
Reply Briefs	November 10, 2006
Draft Decision	January 2007
Final Decision	February 2007

Bridge Funding

In D.05-08-018, SDG&E was granted \$9.3 million in pre-deployment and bridge funding. This funding expires December 2006. In its Response to the Motion, SDG&E seeks additional bridge funding. SDG&E states that it needs “a 2007 commitment of roughly \$50 million in quarterly increments [to] support the necessary systems, system integration and prime services work.” (SDG&E Response, p. 6.) SDG&E further states that “at an absolute minimum, the Commission must authorize the roll-over of unspent pre-deployment funds into 2007 in the event that a final decision is issued after December 31, 2006.” (SDG&E Response, p. 7.) In its May 4, 2006 monthly report summarizing pre-deployment activity and related expenses, SDG&E reports that its actual spending has been less than half of its planned expenditures from October 2005 through March 2006.

D.05-08-018 cannot be modified by ALJ Ruling; a Commission Decision is required. In SDG&E’s Supplemental Testimony, SDG&E states that it may file a Petition to Modify D.05-08-018 should the Commission not issue a final decision in this proceeding before year-end 2006. SDG&E should file any such Petition to Modify by September 1, 2006. As SDG&E suggests, it may be reasonable to allow roll-over of unspent 2005/6 bridge funds into 2007.

IT IS RULED that:

1. The April 28, 2006 Motion by DRA, TURN, and UCAN is granted.
2. SDG&E shall serve additional supplemental testimony on all parties as discussed herein by June 16, 2006.
3. The procedural schedule is modified as set forth herein.

4. SDG&E may file a Petition to Modify D.05-08-018 to extend bridge funding authorized through December 2006 no later than September 1, 2006.

Dated May 19, 2006, at San Francisco, California.

/s/ DAVID GAMSON
David Gamson
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Motion to Modify the Schedule and Requiring Additional Supplemental Testimony on all parties of record in this proceeding or their attorneys of record.

Dated May 19, 2006, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

N O T I C E

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A.05-03-015 DMG/tcg

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